Economic Review Nova Scotia

1969

Economic

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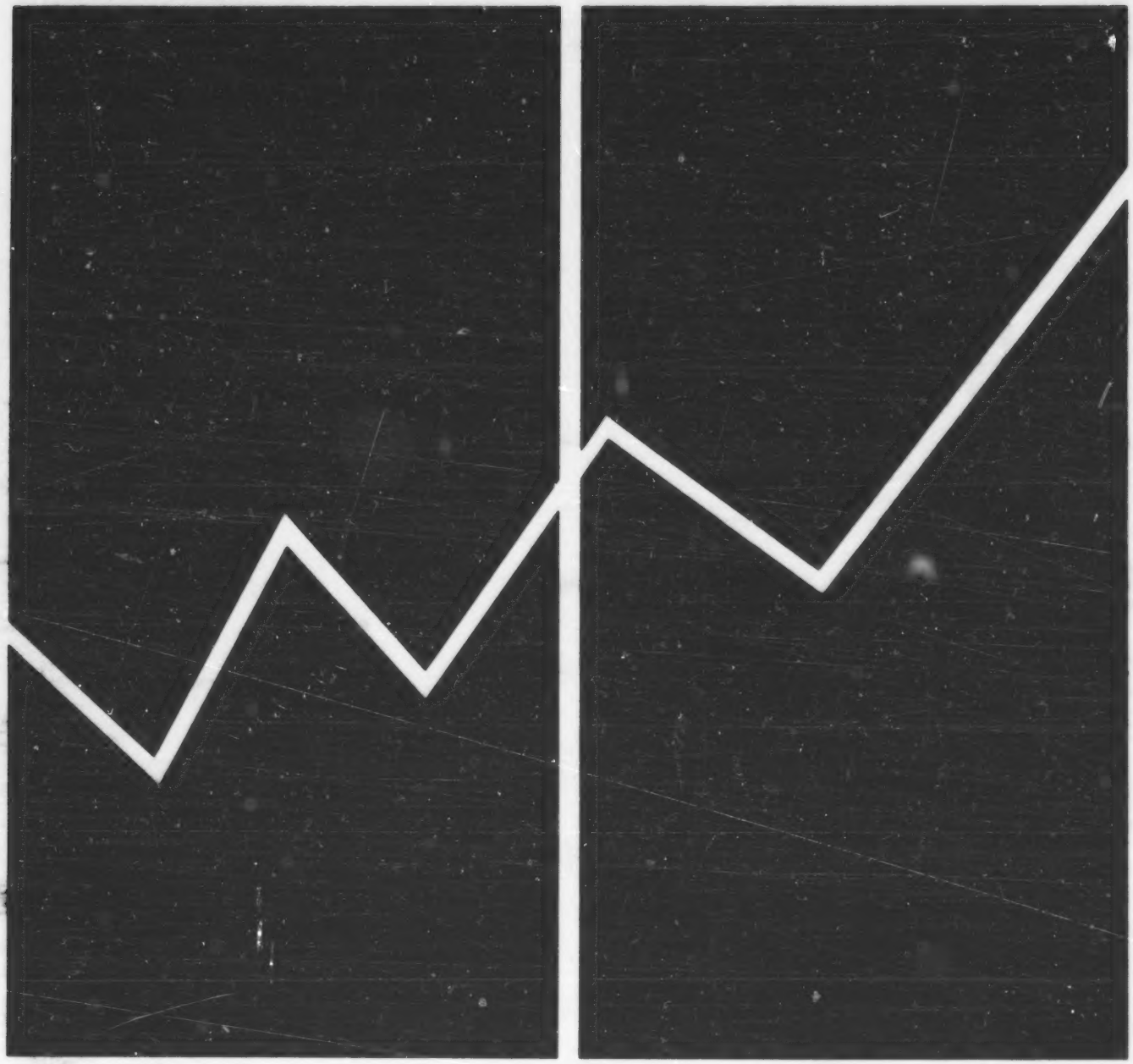
Voluntary Planning Board



101-03295/

Halifax, Nova Scotia
January 22, 1970

The Honorable T.J. McKeough, M.D.,
Minister of Finance and Economics,
Province of Nova Scotia,
Halifax, Nova Scotia

Dear Dr. McKeough:

I have the honour to present to the Government the 1969 Economic Review of Nova Scotia as approved by the Board at its meeting on January 22, 1970.

The state of the economy of Nova Scotia in 1969 is set out in a form which gives the reader an opportunity to look at our progress by sector as well as in total. Comparisons of the year 1969 with earlier years are also given. We are optimistic with respect to our economic growth.

In our 1968 Review, reference was made to a Second Plan and to your Government's formation of a Cabinet Committee on Planning and Programmes. The Board and its staff have had effective participation on several projects with your Cabinet Committee and we have deferred further work on our Second Plan. Our Sector Committees, in the meantime, have played an active role in the preparation and assessment of working papers used as the basis of the Province's Development Plan. We anxiously await the outcome of your negotiations with the Federal Government on this matter.

During the year, the Board paid particular attention to strengthening and expanding existing industry in the Province, an area which we believed had a potential which should not be neglected whilst in pursuit of new secondary manufacturing industries. Our Amherst project was used as a pilot project and much useful experience was gained for continuing this work in other communities.

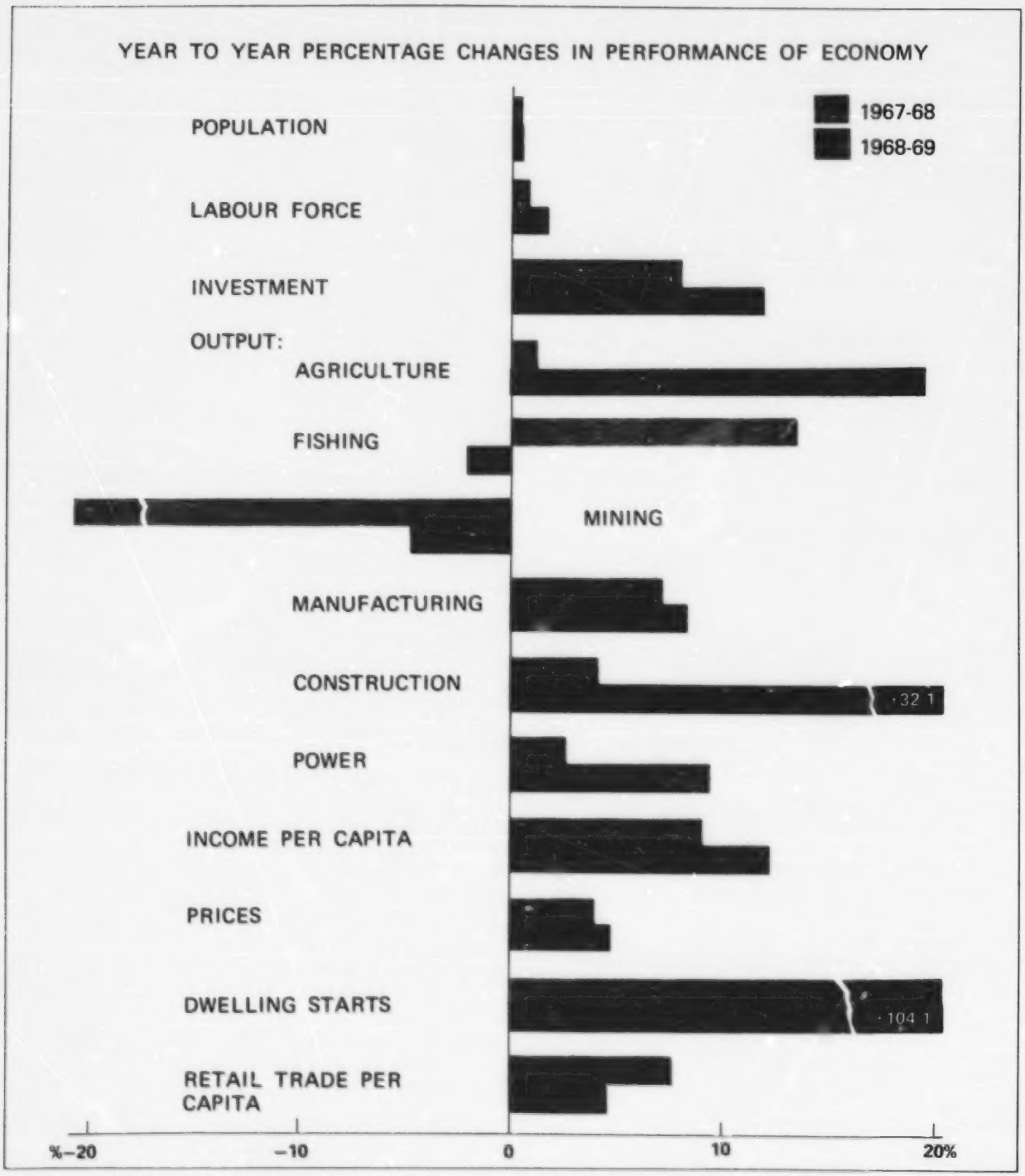
The Board would like to point out to the Government that many voluntary members have devoted much valuable time to our organization's work and it wishes to express appreciation to these people and also to all members of the House of Assembly for their support of Voluntary Economic Planning.

Respectfully submitted,

A.K. Carrington

Chairman,
Voluntary Planning Board

Nova Scotia Economy 1969



NOVA SCOTIA'S ECONOMIC PERFORMANCE

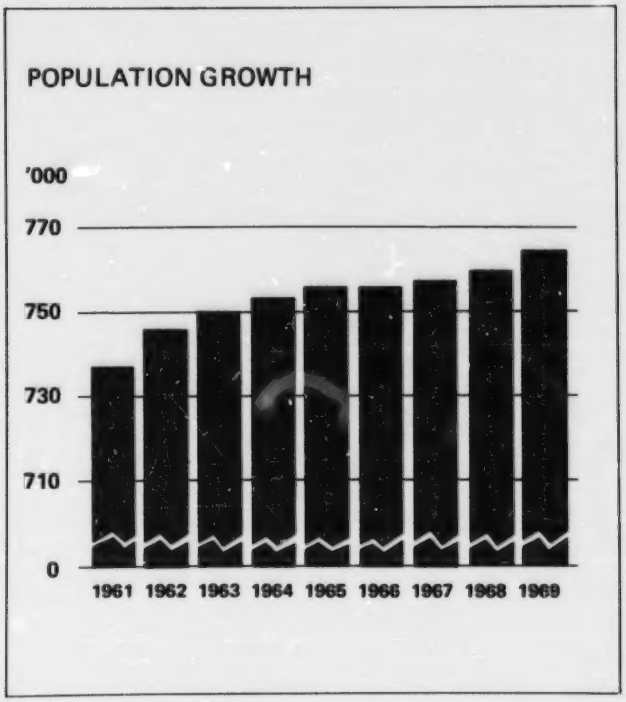
	1968	1969	% Change 1968-1969
Population[1]	760,000	763,000	+ 0.4
Employment:			
Labour Force	254,000	258,000	+ 1.6
Employed	239,000	244,000	+ 2.1
Unemployed	15,000	14,000	– 6.7
Investment: ($ millions)	498.1	556.7	+ 11.8
Output:			
Agriculture ($'000)	54,786	65,000*	+ 18.6
Fishing ($'000)	54,600	53,500*	– 2.0
Mining ($'000)	56,928	54,175	– 4.8
Forestry - see p. 14			
Manufacturing ($'000)	649,800	702,700*	+ 8.1
Construction ($'000)	336,937	445,000	+ 32.1
Power (millions of kwh)	3,034	3,317*	+ 9.3
Incomes:			
Total Income ($millions)	1,575	1,771*	+ 12.4
Income Per Capita ($)	2,072	2,321*	+ 12.0
Prices:			
Consumer Price Index	114.2	119.5	+ 4.6
Housing:			
Dwelling Starts (Urban Centres)	1,967	4,018	+ 104.3
Dwelling Completions (Urban Centres)	1,403	2,669	+ 90.2
Retail Trade:			
Total Retail Trade ($'000)	866,787	910,282*	+ 5.0
Retail Trade Per Capita ($)	1,141	1,193*	+ 4.6

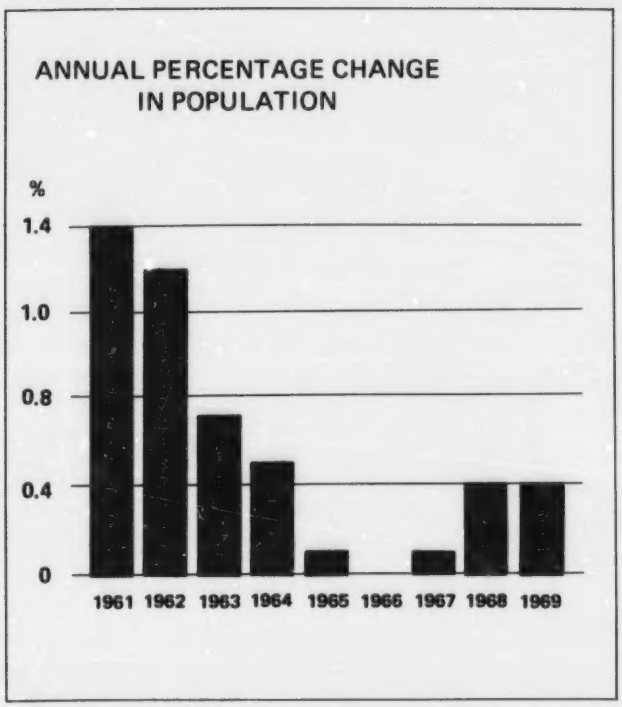
(1) as of June 1

* estimated by V.E.P.

Population

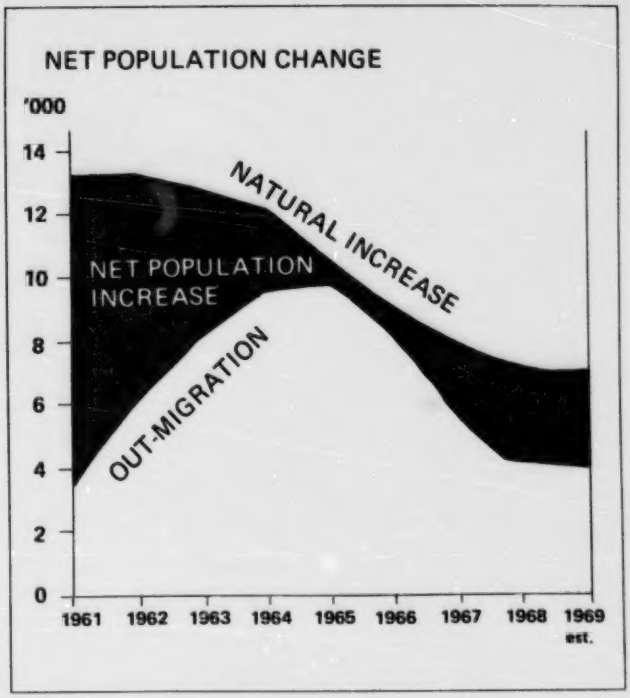
The population of Nova Scotia as of June 1, 1969 was 763,000 compared with 760,000 in 1968.

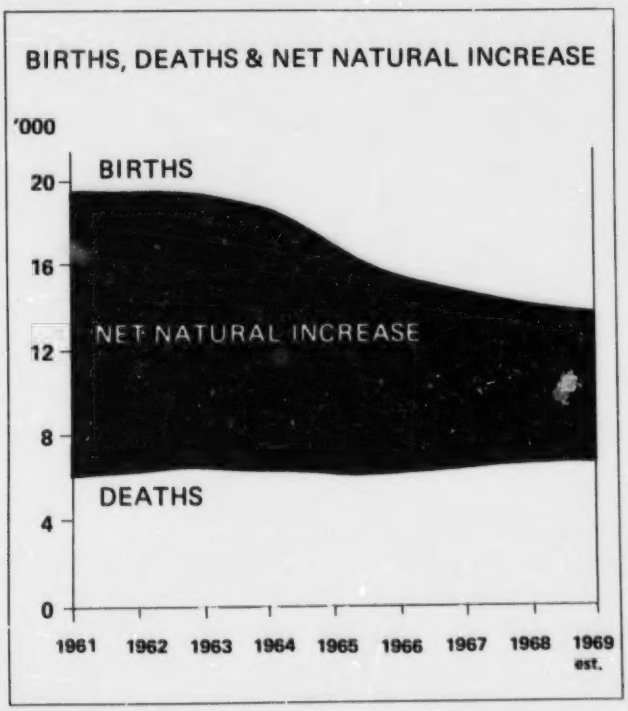




The population increase, 3,000 or 0.4 per cent, was the same as the 1968 increase. However, it was still below the increases that occurred in the early 1960's.

The natural increase in the population declined to a level of 7,000 in 1969 compared with 7,164 in 1968.



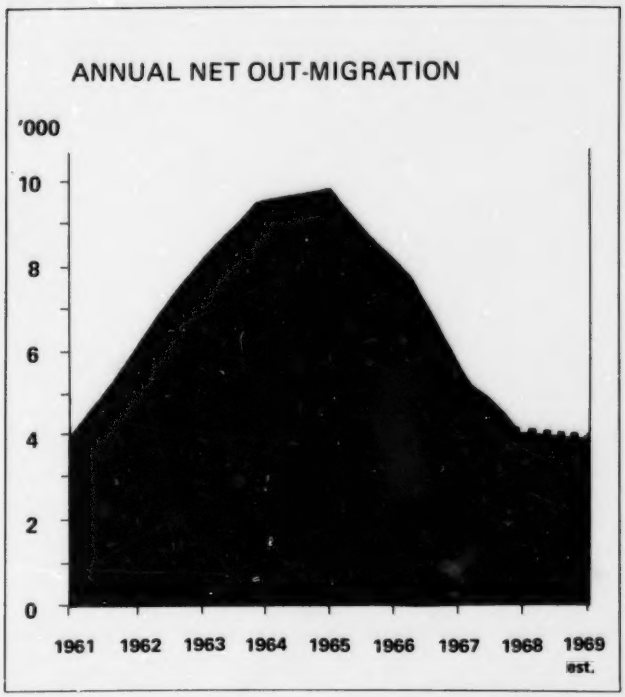


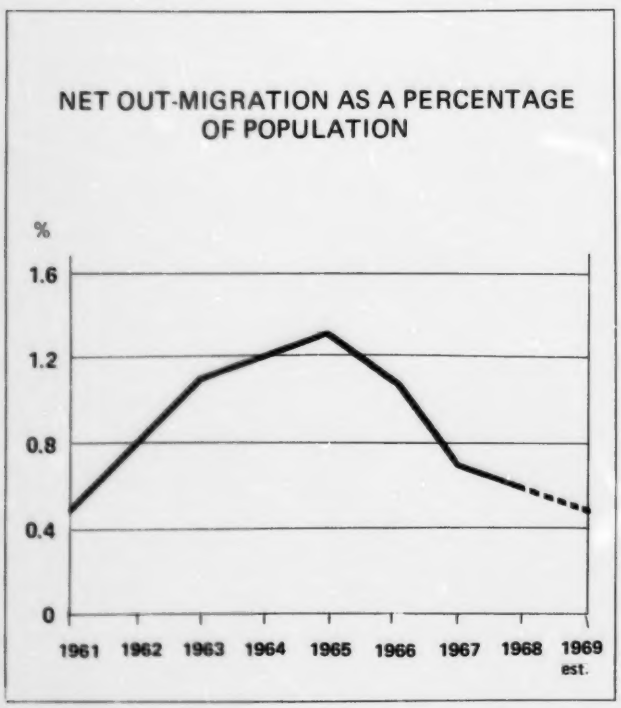
The decline in the natural increase in the population resulted from a continuing downward trend in the number of births and the relatively constant level of deaths.

Birth Rates Per Thousand Population

1961	-	26.3
1962	-	26.0
1963	-	25.3
1964	-	24.3
1965	-	21.9
1966	-	20.1
1967	-	18.9
1968	-	18.1
1969	-	17.8 (est.)

Population movements into and out of the Province in recent years have resulted in a net out-migration. However, the annual population loss due to this factor has decreased rapidly since 1965, standing at 4,164 in 1968 and estimated at 4,000 in 1969.





The net rate of out-migration experienced in 1969 was 0.5 per cent, which decreased only slightly from the 1968 rate of 0.6 per cent.

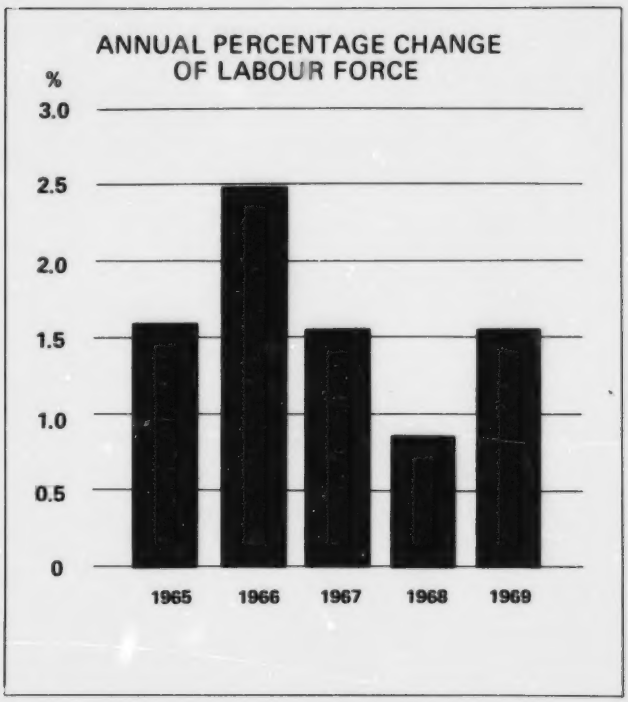
Employment

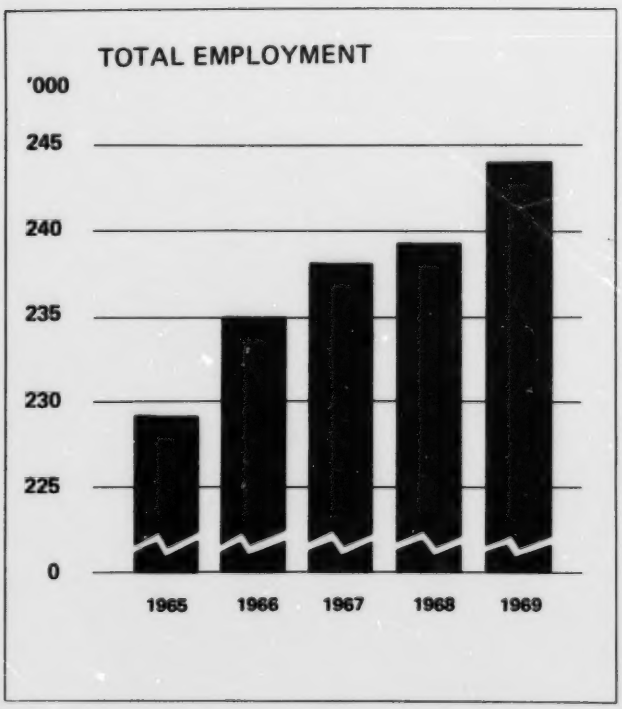
Nova Scotia's labour force grew more rapidly in 1969. The average labour force for the year increased by 4,000 over the 1968 figure to 258,000.

In spite of the increase in size of the labour force and the population, the participation rate (labour force as a percentage of population 14 years of age and over) decreased slightly compared with 1968.

The effect on the labour force of the increase in population at the younger ages is being partly abated by the postponement of participation by the younger age-groups until they have obtained further training.

The rate of increase in the labour force from 1968 to 1969 was 1.6 per cent, twice the rate in the previous period.



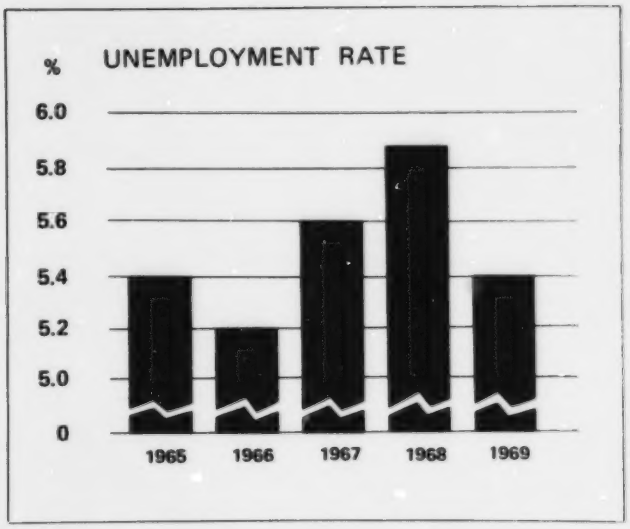


In 1969 the average total number employed increased to 244,000, an increase of 5,000 over 1968. This was the highest increase since 1965-1966.

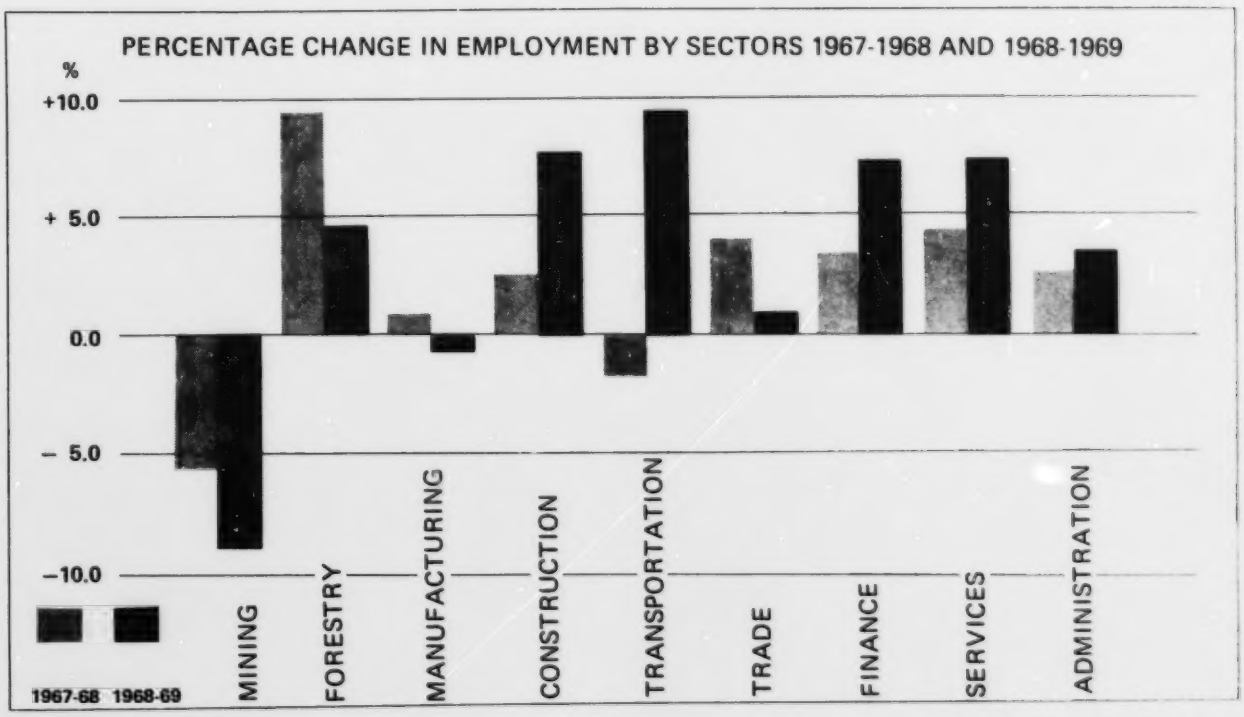
Year to Year Percentage Change

1964 - 1965	+ 3.1
1965 - 1966	+ 2.6
1966 - 1967	+ 1.3
1967 - 1968	+ 0.4
1968 - 1969	+ 2.1

Average total unemployment decreased in 1969 by 1,000 to 14,000. Thus the 1968 upward trend was reversed and total unemployment returned to the 1967 level.



On a sectoral basis employment experienced mixed growth. The construction, transportation, finance and business services sectors all showed large percentage increases, while the mining and forestry sectors showed the greatest decreases.

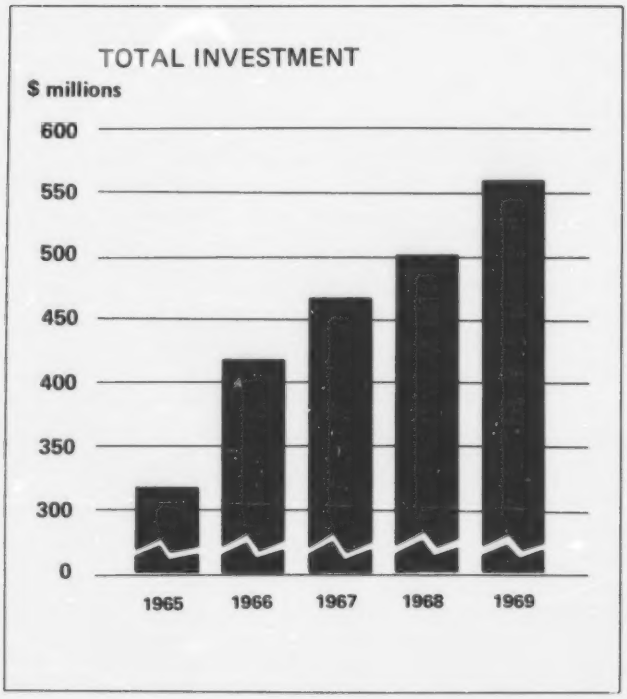


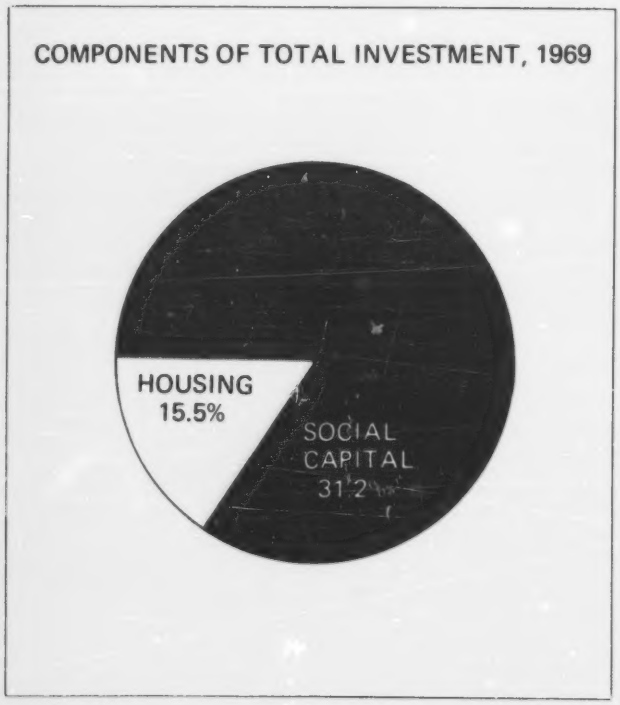
Investment

Total investment intentions were $556.7 million in 1969. This was an increase of 11.8 per cent over 1968, showing a recovery over the low level of 7.7 per cent in 1968.

Year to Year Percentage Change

1964 - 1965	+ 17.4
1965 - 1966	+ 29.6
1966 - 1967	+ 12.3
1967 - 1968	+ 7.7
1968 - 1969	+ 11.8





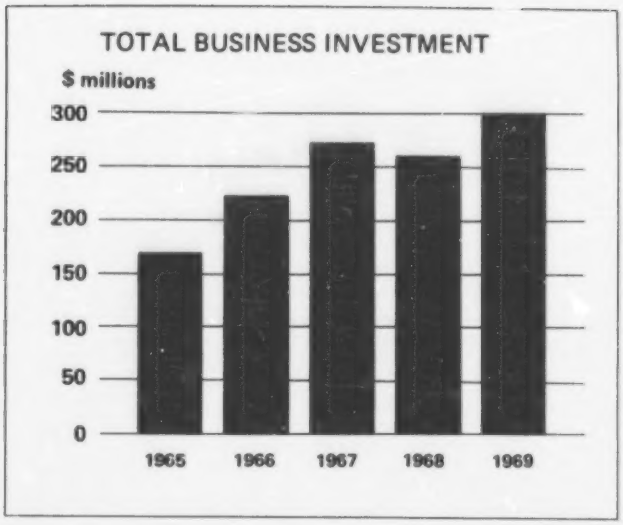
The major components of total investment are business investment, social capital and housing. The proportion occupied by business investment remained relatively unchanged in 1969 as compared with 1968, but the proportion of investment in social capital decreased and that in housing increased considerably.

	1968 (%)	1969 (%)
Business	52.7	53.3
Social Capital	35.0	31.2
Housing	12.3	15.5
	100.0	100.0

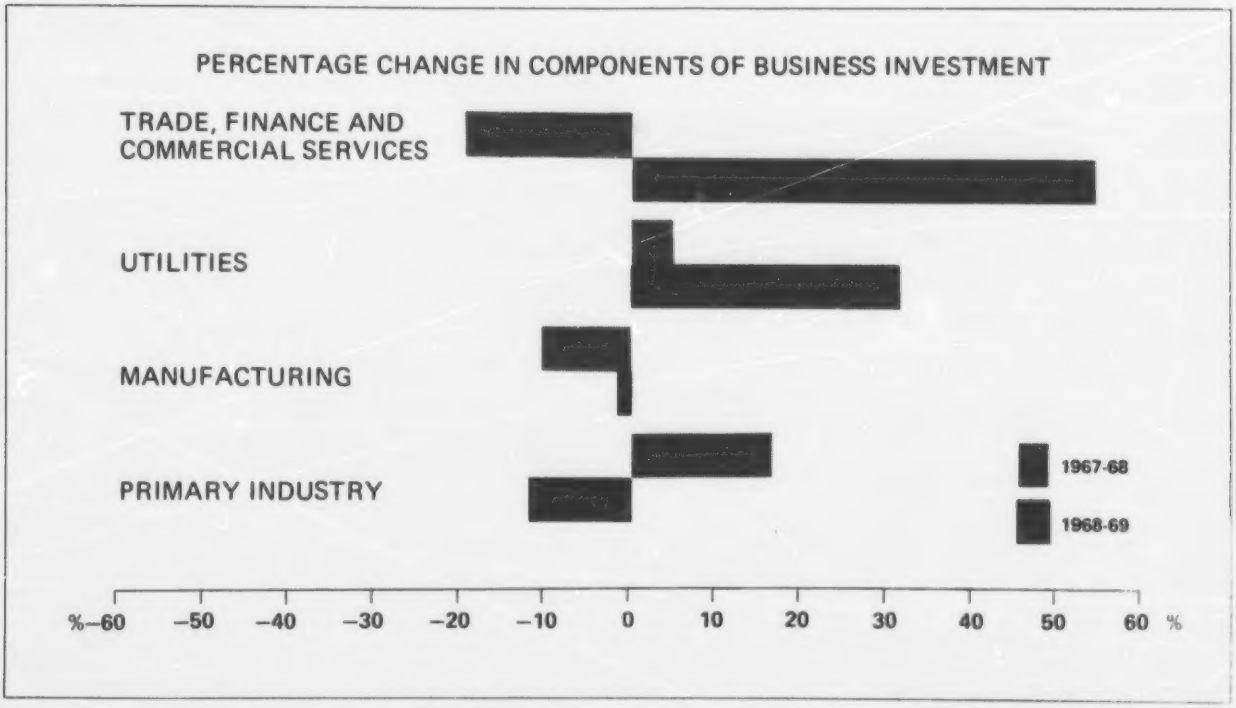
Total business investment attained its highest level of $296.8 million in 1969, a substantial increase over 1968.

Year to Year Percentage Change

1964 - 1965	+ 5.4
1965 - 1966	+ 32.9
1966 - 1967	+ 22.0
1967 - 1968	− 4.1
1968 - 1969	+ 13.0



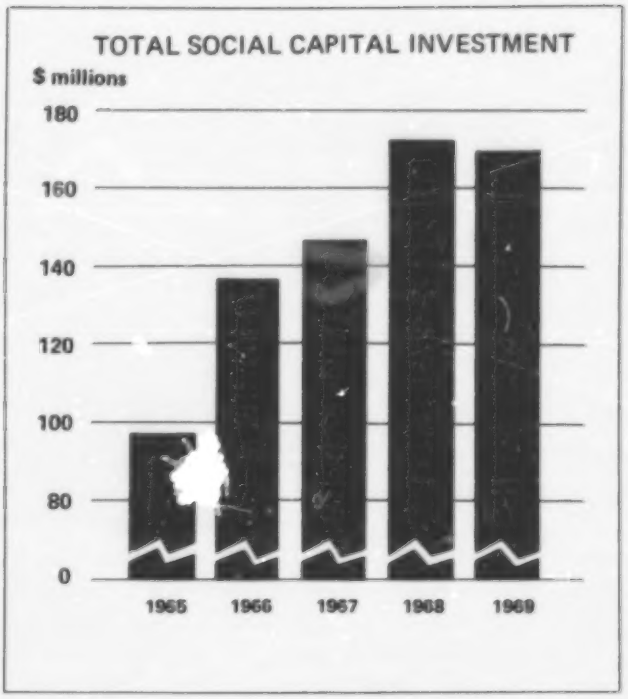
Analysis of the business sector investment into its components shows that increases in the level of investment in trade, finance and commercial services and utilities outweighed decreases in manufacturing and primary industry.

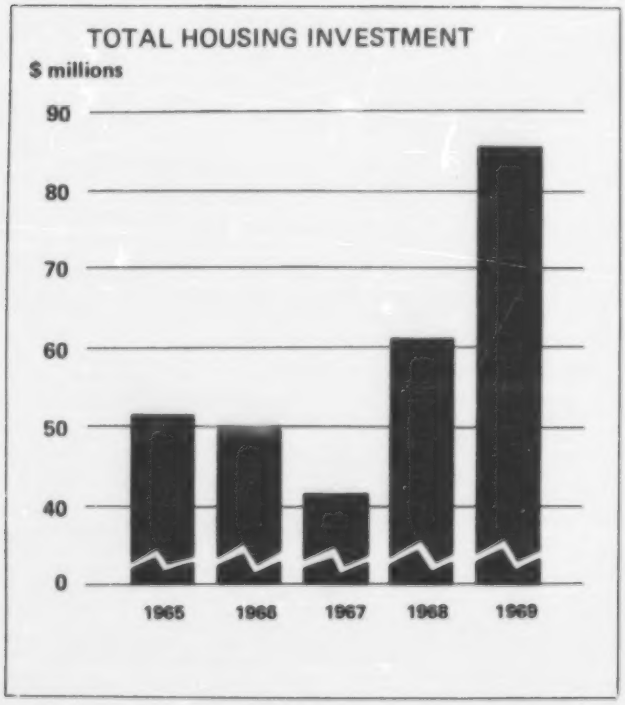


Investment in social capital (institutional services and government departments) of $173.5 million for 1969 decreased only slightly from the very high 1968 figure.

Year to Year Percentage Change

1964 - 1965	+ 54.7
1965 - 1966	+ 40.1
1966 - 1967	+ 6.6
1967 - 1968	+ 19.3
1968 - 1969	— 0.4





Housing investment of $86.4 million, up 41.2 per cent over 1968, showed the largest percentage increase of the three major components.

Year to Year Percentage Change

1964 - 1965	+ 8.3
1965 - 1966	— 1.4
1966 - 1967	— 15.5
1967 - 1968	+ 44.3
1968 - 1969	+ 41.2

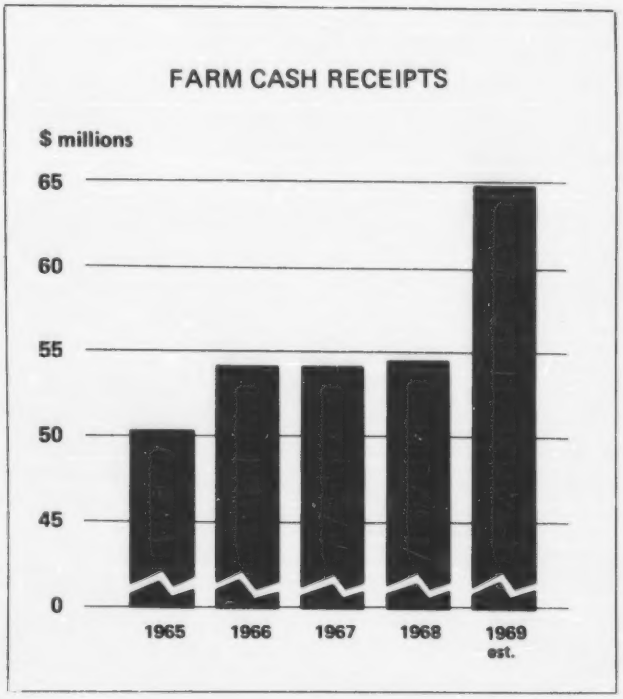
Output

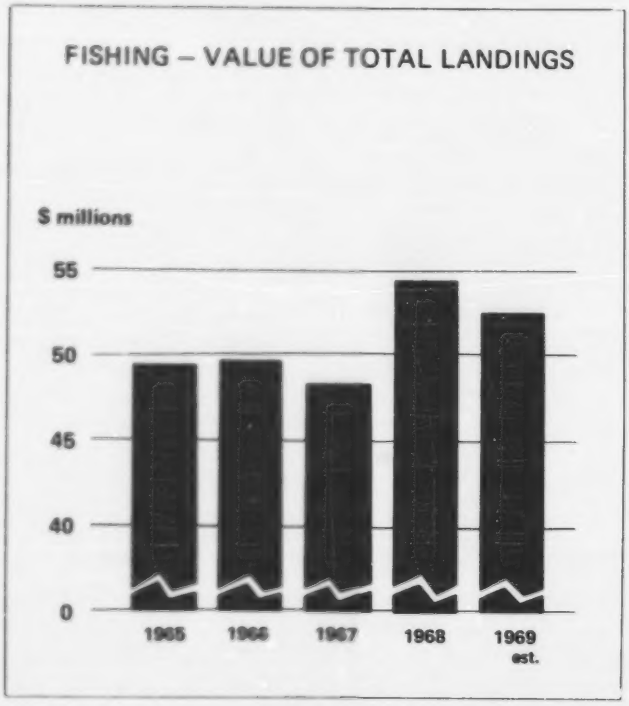
Note: The following section relates only to the output of the commodity sector, as the output from the remaining sectors of the economy, business and personal services, finance and government, cannot at present be measured.

Agricultural output, as measured by farm cash receipts, increased substantially in 1969, showing an increase of 18.6 per cent over 1968, the highest percentage increase since 1945-1946.

Year to Year Percentage Change

1964 - 1965	+ 10.8
1965 - 1966	+ 6.4
1966 - 1967	+ 0.4
1967 - 1968	+ 0.9
1968 - 1969	+ 18.6 (est.)





The value of the output of the fishing industry, while remaining high, decreased slightly in 1969 as compared with 1968. The change amounted to a reduction of 2.0 per cent in the value of total landings.

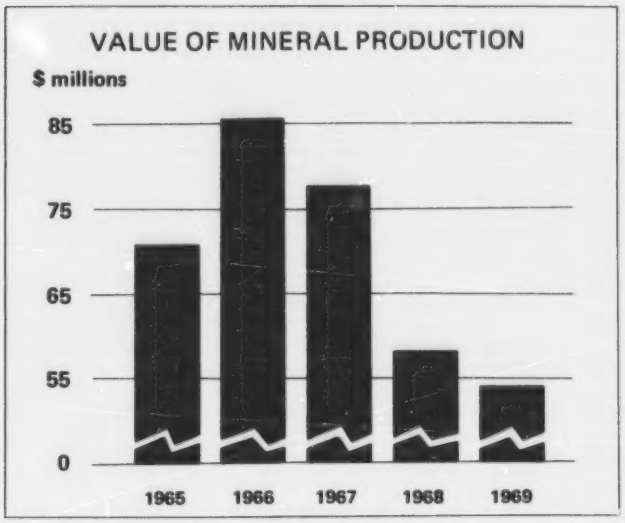
Year to Year Percentage Change

1964 - 1965	+ 16.3
1965 - 1966	+ 0.2
1966 - 1967	– 2.5
1967 - 1968	+ 13.3
1968-- 1969	– 2.0 (est.)

The value of the output of the mining industries decreased again in 1969, but the rate of reduction was slowed to 4.8 per cent below the 1968 value.

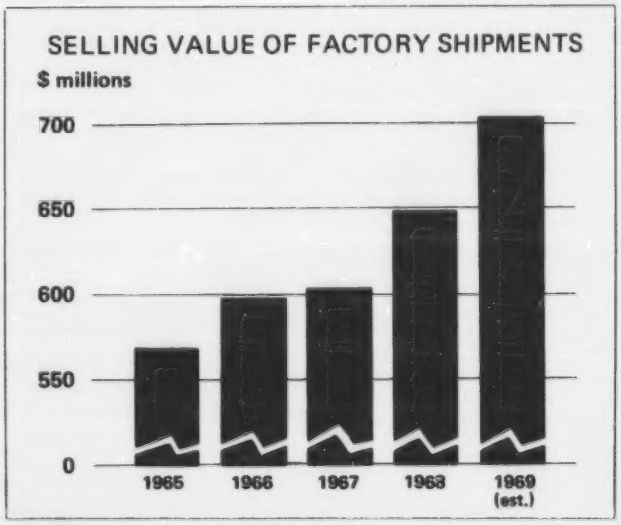
Year to Year Percentage Change

1964 - 1965	+ 7.1
1965 - 1966	+ 20.7
1966 - 1967	– 9.6
1967 - 1968	– 26.3
1968 - 1969	– 4.8



	Domestic Pulpwood (cords)	Lumber (m.ft.b.m.)
1968	824,033	195,538
1969 (est.)	910,000	230,000

Forestry production (estimated only) in 1969 showed increases over the 1968 output, both for domestic pulpwood, up 10.4 per cent and for lumber, up 17.6 per cent.



The selling value of factory shipments in the manufacturing industries, which totalled $702.7 million in 1969, recorded an increase of 8.1 per cent over 1968.

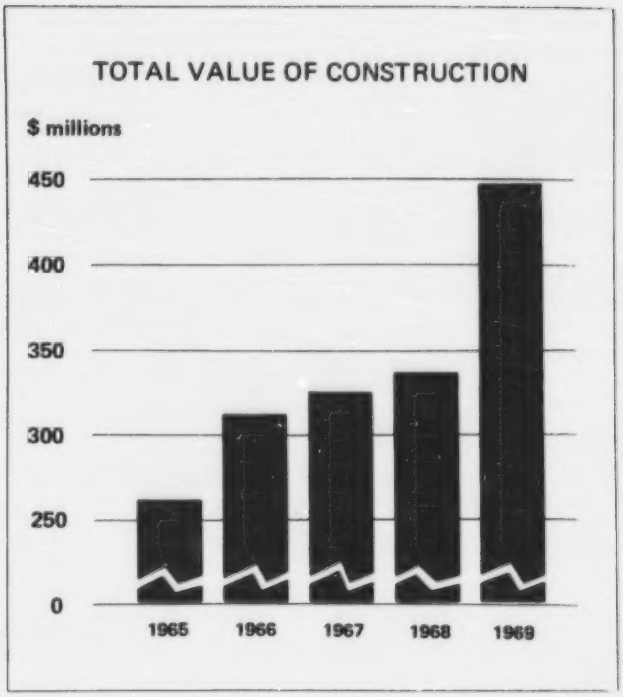
Year to Year Percentage Change

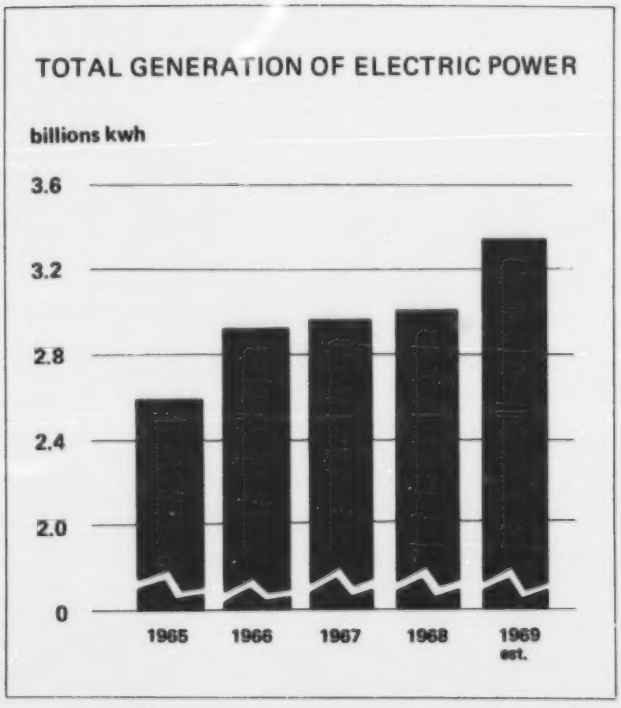
1964 - 1965	+ 7.5
1965 - 1966	+ 6.3
1966 - 1967	+ 1.4
1967 - 1968	+ 7.1
1968 - 1969	+ 8.1 (est.)

The output of the construction industry in 1969, estimated at a total value of $445 million, has shown an extremely high increase, 32.1 per cent, over the 1968 figure.

Year to Year Percentage Change

1964 - 1965	+ 18.8
1965 - 1966	+ 22.7
1966 - 1967	+ 2.7
1967 - 1968	+ 4.2
1968 - 1969	+ 32.1





The total generation of electric power, measured in kilowatt hours, showed an increase of 9.3 per cent over 1968.

Year to Year Percentage Change

1964 - 1965	+ 9.5
1965 - 1966	+ 9.1
1966 - 1967	+ 3.1
1967 - 1968	+ 2.5
1968 - 1969	+ 9.3 (est.)

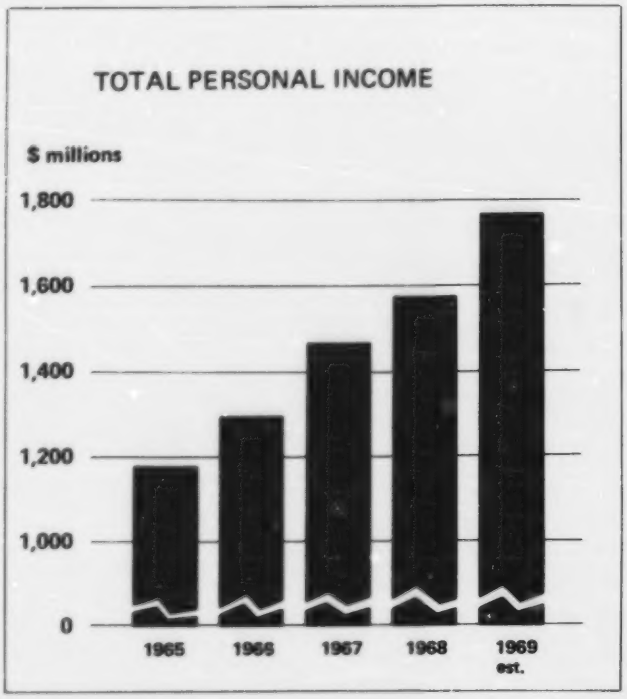
Incomes

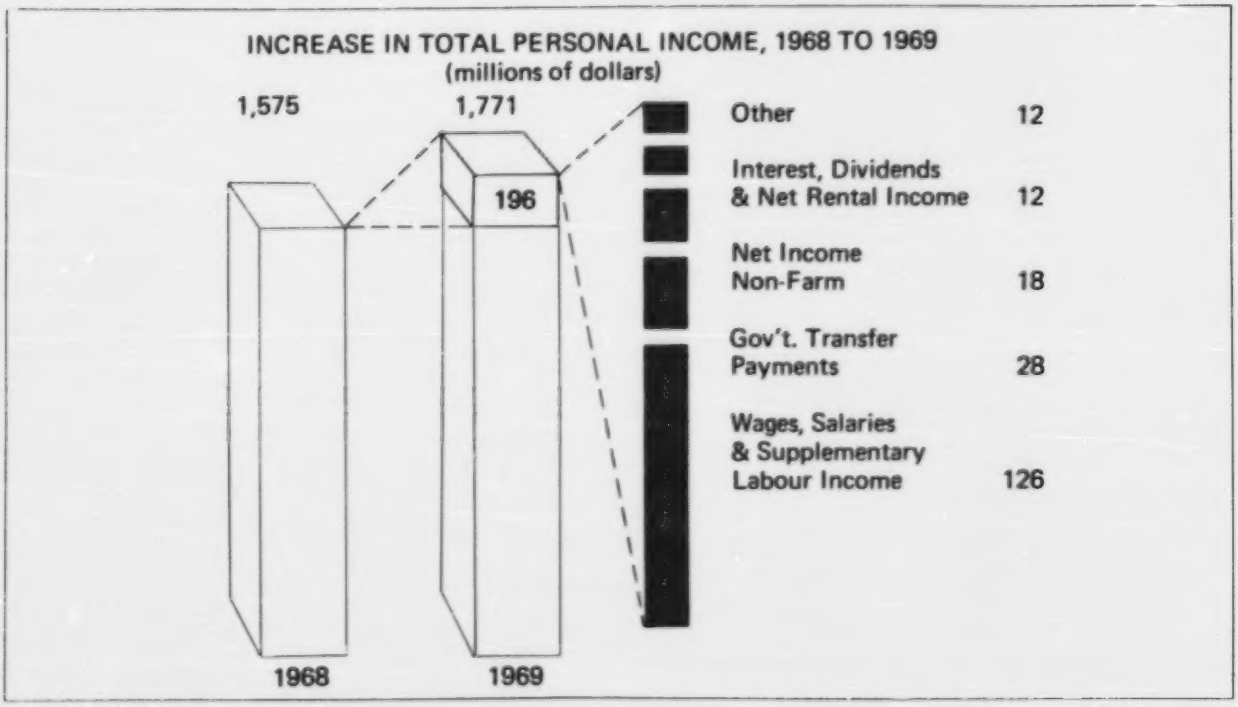
In 1969 total personal income increased 12.4 per cent to $1,771 million.

Year to Year Percentage Change

1964 - 1965	+ 7.7
1965 - 1966	+ 9.7
1966 - 1967	+ 11.3
1967 - 1968	+ 9.3
1968 - 1969	+ 12.4 (est.)

As in previous years, wages and salaries accounted for the major portion of total personal income and was the most significant contributor in increasing total income. Government transfer payments (pensions and allowances) comprise the next largest component. The other major components are net income from non-farm unincorporated business, net income from farm production and interest, dividends and net rental income.



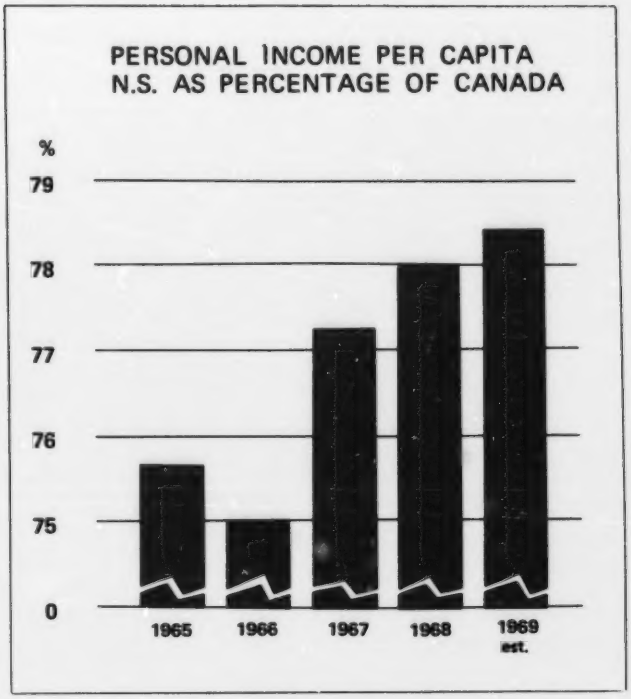


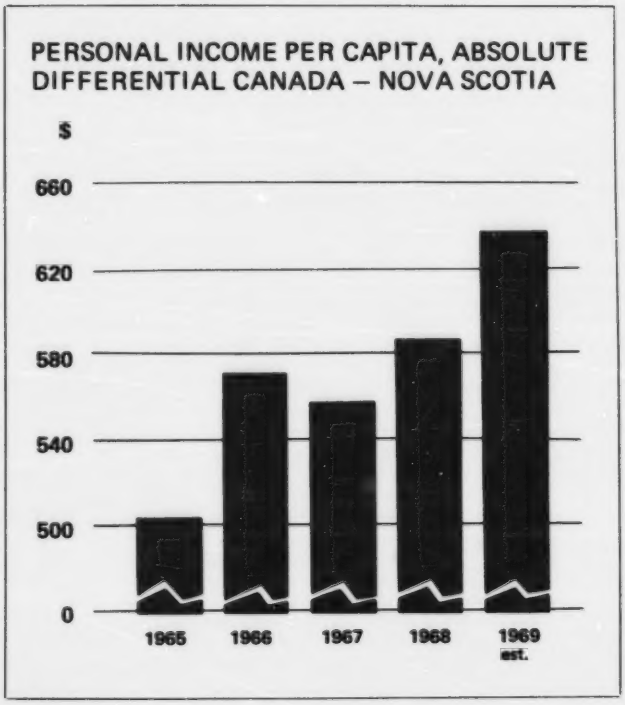
In 1969 Nova Scotia's per capita income was $2,321 which represents an increase of 12.0 per cent over 1968.

Nova Scotia Per Capita Income

1965	-	$1,562
1966	-	$1,713
1967	-	$1,904
1968	-	$2,072
1969	-	$2,321 (est.)

A comparison of Nova Scotia per capita income with the Canadian per capita income indicates a slight narrowing of the income gap in percentage terms, 78.4 per cent in 1969 compared to 77.9 per cent in 1968.





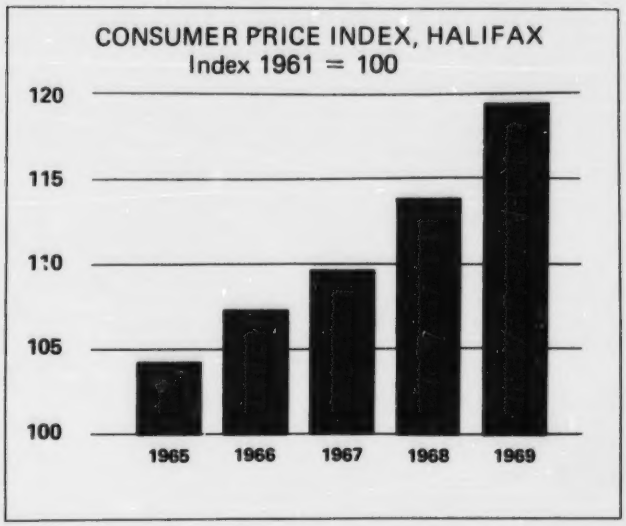
Despite the narrowing of the income gap in percentage terms the absolute gap between Nova Scotia and Canada increased in 1969.

Prices

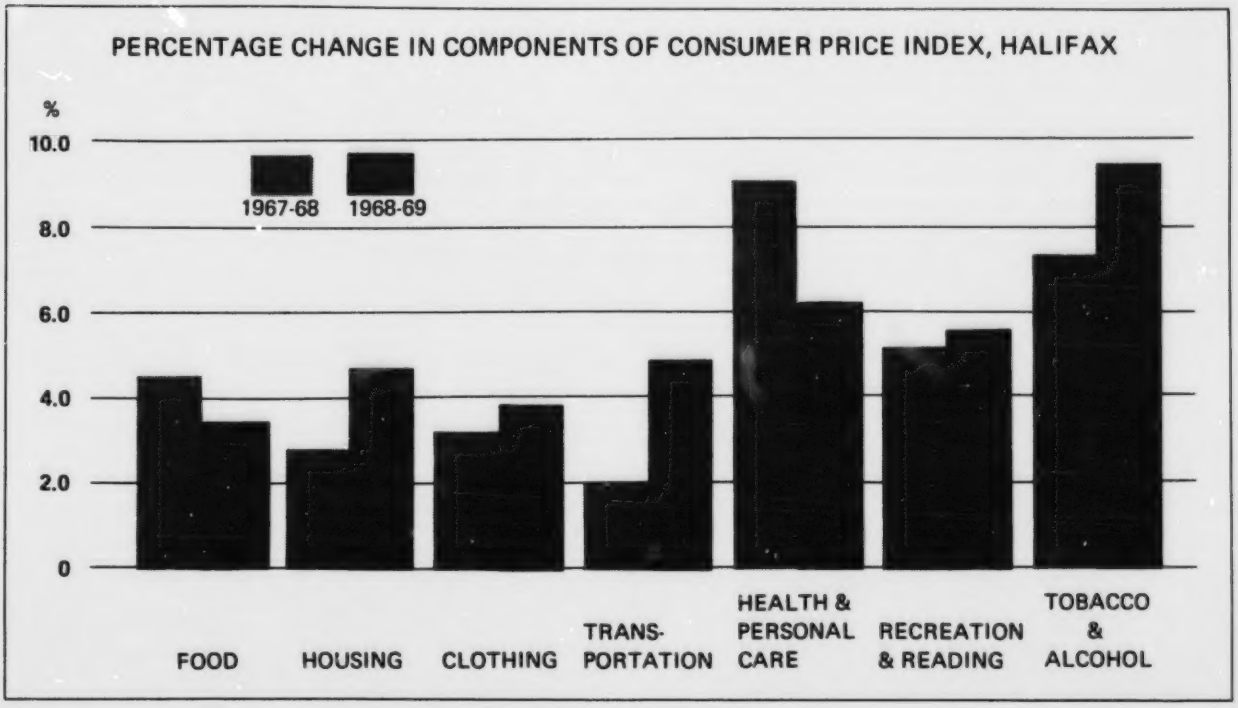
In 1969 prices, as reflected in the Halifax Consumer Price Index, showed their largest percentage increase in the last five years.
This resulted in relatively lower gains in real income than in money income.

Year to Year Percentage Change

1964 - 1965	+ 1.8
1965 - 1966	+ 2.7
1966 - 1967	+ 2.3
1967 - 1968	+ 3.9
1968 - 1969	+ 4.6



All the components of the Halifax Consumer Price Index in 1969 again showed percentage increases over the previous year. Those relating to housing, transportation and tobacco and alcohol showed larger percentage increases, whereas food and health and personal care showed smaller percentage increases.

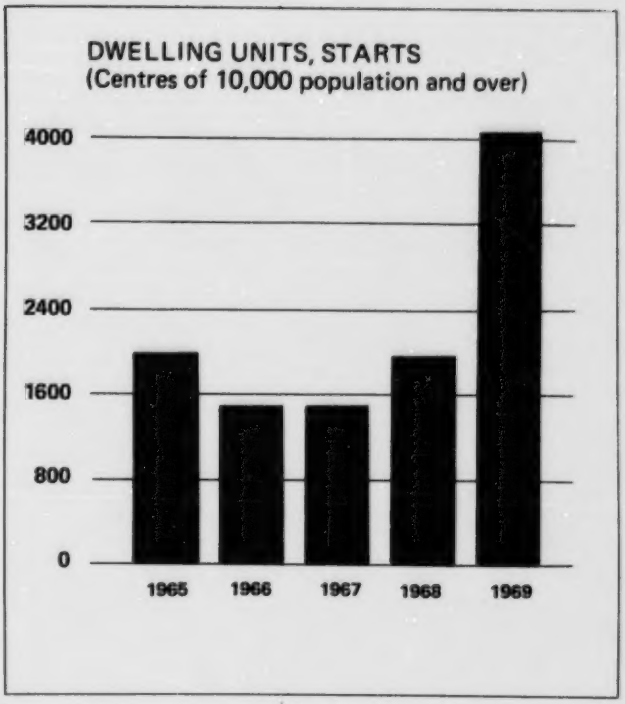


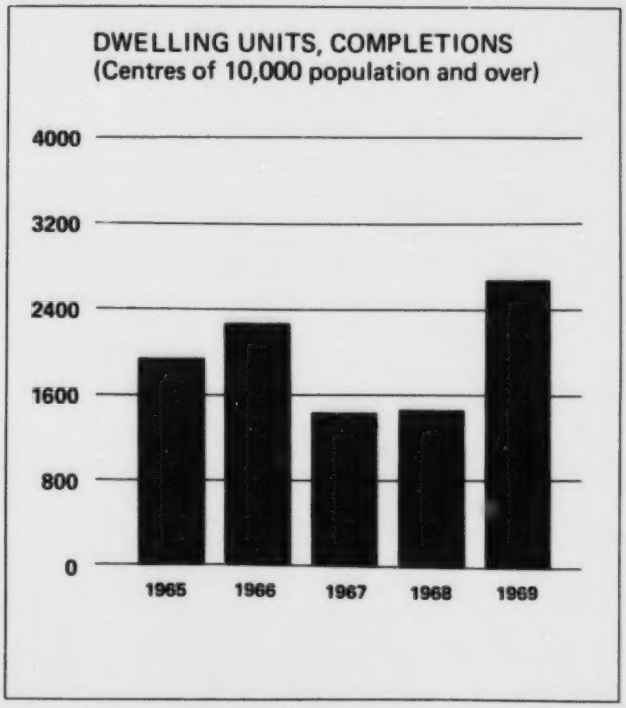
Housing

Construction of new homes, as shown by the numbers of dwelling starts, has increased dramatically in 1969 in spite of the rise in mortgage interest rates. The percentage increase in the number of starts over 1968 is 104.3.

Year to Year Percentage Change

1964 - 1965	– 2.5
1965 - 1966	– 26.5
1966 - 1967	+ 0.3
1967 - 1968	+ 33.1
1968 - 1969	+ 104.3





The number of dwelling completions also shows a trend to a large increase in 1969, the percentage change over 1968 being 90.2.

Year to Year Percentage Change

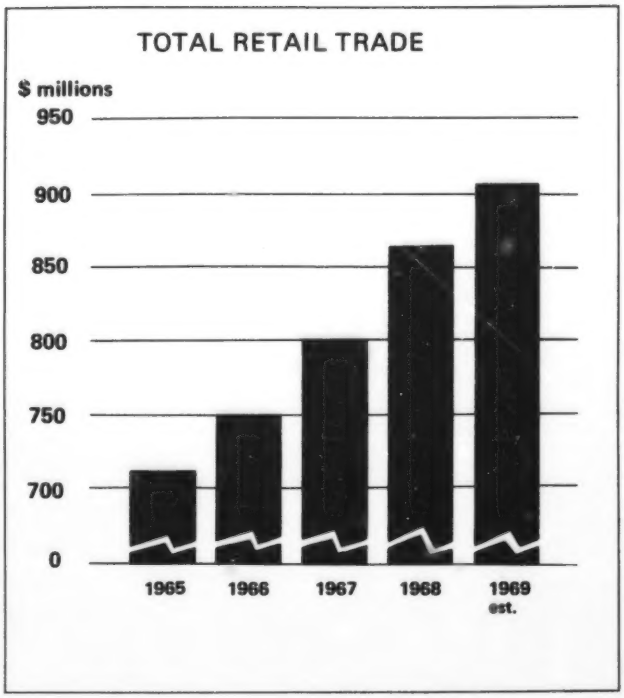
1964 - 1965	+ 3.4
1965 - 1966	+ 16.8
1966 - 1967	– 38.3
1967 - 1968	+ 3.6
1968 - 1969	+ 90.2

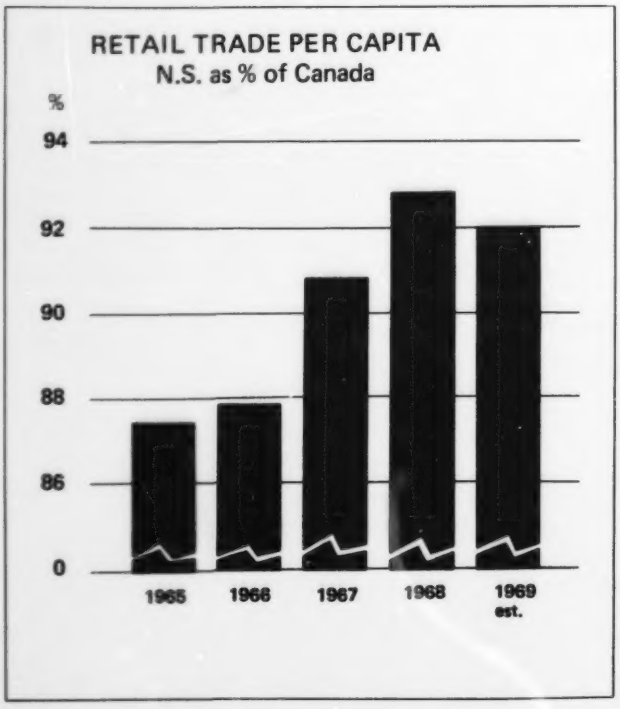
Retail Trade

Total retail trade in 1969 increased over 1968, the change being estimated at 5.0 per cent. The increase is smaller than in 1967-1968, due mainly to the increase in the rate of Health Services Tax, and its application to a wider range of articles, as from April, 1969.

Year to Year Percentage Change

1964 - 1965	+ 7.2
1965 - 1966	+ 5.9
1966 - 1967	+ 6.3
1967 - 1968	+ 8.2
1968 - 1969	+ 5.0 (est.)





Retail trade per capita in Nova Scotia, estimated as $1,193 in 1969, was affected by the Health Services Tax in the same manner as total retail trade. The per capita figure showed an increase of 4.6 per cent over the 1968 figure, which is the lowest increase for several years.

Year to Year Percentage Change

1964 - 1965	+ 7.1
1965 - 1966	+ 5.8
1966 - 1967	+ 6.2
1967 - 1968	+ 7.8
1968 - 1969	+ 4.6 (est.)